

**Remarks**

**A. Claims in the Case**

Claims 1-51 are pending. Claims 1, 5, 27, 33 and 47 are amended herewith.

**B. The Claims Are Not Obvious Under 35 U.S.C. §103(a)**

Claims 1-32 and 47-51 were rejected under 35 U.S.C. §103(a) as being obvious over U.S. Patent No. 5,946,694 to Copeland et al. (hereinafter referred to as “Copeland”) in view of U.S. Patent No. 5,873,006 to Underwood et al (hereinafter referred to as “Underwood”). Applicant respectfully disagrees with these rejections.

In order to reject a claim as obvious, the Examiner has the burden of establishing a *prima facie* case of obviousness. *In re Warner et al.*, 379 F.2d 1011, 154 USPQ 173, 177-178 (CCPA 1967). To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974), MPEP § 2143.03.

Amended claims 1, 5, 27 33, and 47 recites a combination of features that include, but are not limited to:

identifying an inheritable class of objects to represent the one or more conditions of a reinsurance contract, wherein the reinsurance contract is represented by an reinsurance contract object, wherein the reinsurance contract object is a parent of a section object;

creating an instance of the inheritable class of objects to identify a condition object, wherein the condition object is a child of the section object;

configuring properties and methods of the condition object consistent with the reinsurance contract to define an amended reinsurance contract;

wherein the reinsurance contract comprises the transfer by a first insurer of at least

a portion of the risk associated with a primary insurance contract to a second insurer to provide protection to the first insurer against the risk associated with the primary insurance contract.

Support for the amendments can be found at least on Page 1 of the instant specification, which states:

Reinsurance may include the transfer by a first insurer of all or part of a risk to a second insurer to provide protection against the risk, as well as any associated transactions. In other words, reinsurance can be thought of as 'insurance for insurance companies.'

(Specification, page 1, lines 18-21)

Underwood appears to be directed to a computer-implemented system for managing the underwriting, quoting and binding by an insurance company of an excess casualty insurance policy for an insured having a primary insurance policy with a primary insurance limit amount. Applicant respectfully asserts that Underwood fails to teach or suggest "a computer implemented method for amending one or more conditions of a reinsurance contract" as asserted on page 3, lines 1-2 and page 6, lines 7-8 of the Office Action. For example, Underwood recites:

When an entity that has purchased a primary insurance policy wishes to insure against risks that may exceed the limits of its primary (or underlying) insurance policy, the entity may look to purchase excess insurance. Thus, the purpose of an excess insurance policy is to cover an insured in the event that the insured incurs liability that is in excess of the coverage limits of its primary insurance policy. Typically, one or more layers of excess insurance policies may be used to supplement a particular primary insurance policy. For example, an insured may purchase a primary insurance policy with a coverage limit of \$10 million, a first excess insurance policy which would cover losses in excess of \$10 million up to a further limit of \$20 million, and a second excess policy which would cover losses in excess of \$20 million up to a further limit of \$30 million. The first excess insurance policy is said to have an "attachment point" of \$10 million, because the coverage offered by the policy will not be invoked unless the insured's liability exceeds \$10 million. Similarly, the second excess insurance policy has an "attachment point" of \$20 million, because the coverage offered by that policy will not be invoked unless the insured's

liability exceeds \$20 million. When there are multiple excess insurance policies, each of the policies will typically be written by a different insurance company, and will be reinsured through other insurance companies.

(Underwood, col. 1, lines 15-40)

The present invention is directed to a computer-implemented system for managing the underwriting, quoting and binding by an insurance company of an excess casualty insurance policy for an insured having a primary insurance policy with a primary insurance limit amount.

(Underwood, col. 2, lines 10-14)

After the quotation is issued in step 132, the system waits for a response to the quotation. In the event that the quotation is accepted, the system proceeds to step 136 where the policy is bound. At the time of binding, the insurance business producer is required to enter into the system information relating to the reinsurance of the policy which has been bound. A graphical user interface, such as that shown by FIG. 13, is preferably used for assisting with the inputting of this reinsurance information into the system. (Underwood, col. 6, lines 38- 46).

Underwood appears to teach a system for managing the underwriting, quoting and binding by an insurance company of an excess casualty insurance policy, not a reinsurance policy. While reinsurance of the excess insurance policy may occur, Underwood does not teach or suggest a method, system or carrier medium that is capable of amending reinsurance contracts. Instead, Underwood appears to teach that existing reinsurance information may be entered into the users policy for information purposes. Entering of this information appears to occur after a quotation has been issued and that quotation has been accepted, at the time of binding of the policy. Underwood does not appear to teach or suggest that the software could be used to modify one or more conditions of a reinsurance policy.

Applicant submits that reinsurance policies are different from the excess insurance policies described by Underwood. For example, Applicant's specification states:

Reinsurance may include the transfer by a first insurer of all or part of a risk to a second insurer to provide protection against the risk, as well as any associated transactions. In other words, reinsurance can be thought of as "insurance for

insurance companies.” When catastrophic events such as earthquakes, floods, tornadoes, hurricanes, airline accidents, etc. occur the insured often file for damage claims to reduce the impact of the loss of property and/or life. The insurance companies, which offer policies to cover for such catastrophic losses, come under severe financial strain to absorb the losses and still maintain the required surplus. The surplus is an insurance company’s net worth, i.e. its assets minus its liabilities. Some insurance companies may deplete their surplus too far to be unable to fulfill their obligations to their policyholders. To protect policyholders against insolvency of an insurance company, government regulations may require insurance companies to maintain a minimum surplus. The size of an insurance companies surplus is thus considered as an important factor to rate insurance companies. To maintain a surplus and protect against insolvency insurance companies may purchase their own insurance policies, i.e. reinsurance policies.

An insurance company, also known as primary or ceding company, may purchase a reinsurance policy from a reinsurance company, also known as reinsurer, in much the same way that direct or primary insurance is purchased. The primary or the first insurer may also be called a cedent, and the secondary or the second insurer may be called a reinsurer. Reinsurance organizations may include cedents, reinsurers, and any other entities involved in reinsurance transactions. Reinsurance may protect a cedent against catastrophes and cumulative losses and also enable it to accept risks that exceed its own underwriting capacity.

The complexity of the reinsurance field tends to require software for reinsurance administration to be complex as well. Generally speaking, software for reinsurance administration may be expected to handle risk selection, portfolio analysis, policy administration, claims, accounting, and other areas vital to the reinsurance field. Reinsurance profits may depend on analysis of historical information, the ability to predict trends, and the ability to identify cumulative exposures within a current portfolio, and reinsurance software may therefore be expected to meet requirements relating to those functions. Consequently, the development of a software system for reinsurance administration to meet the above-identified needs may require great time and expense.

For at least these, Applicant submits that the combination of Copeland and Underwood fail to teach or suggest the combination of features of amended claims 1, 5, 27, 33 and 47, or any claim depending thereon. Applicant asserts that the claims are patentable over the cited art under 35 U.S.C. § 103(a) and respectfully requests the withdrawal of the rejections on these grounds.

**B. SUMMARY**

Based on the above, Applicant submits that the claims are now in condition for allowance. Favorable reconsideration is respectfully solicited.

Applicant hereby requests a one-month extension of time for this reply. Applicant encloses herewith a fee authorization in the amount of \$110 to cover the cost for an extension for response within first month. If any further extension of time is required, Applicant hereby requests the appropriate extension of time. Should any other fees be required, or if any fees have been overpaid, the Commissioner is authorized to appropriately charge or credit those fees to Meyertons, Hood, Kivlin, Kowert & Goetzel Deposit Account No. 50-1505/5053-28501/EBM

Respectfully submitted,



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